



**Trillion Partners, Inc.  
9208 Waterford Centre Blvd., Suite 150  
Austin, Texas 78758**

**March 11, 2011**

Federal Communications Commission *Delivered via ECFS & email*  
Attention: Ms. Gina Spade, Deputy Division Chief  
Ms. Erica Myers, Wireline Competition Bureau  
Ms. Dana Bradford, Wireline Competition Bureau

Telecommunications Access Policy Division  
445 12th Street SW  
Washington, DC 20554

Re:

Appeal  
School District: Widefield School District 3, Colorado Springs, CO  
Funding Year: 2009  
FRN Denied: 1910067  
Form 471 Application Denied: 694957  
Reason for Denial: Communications

Dear Gina, Erica and Dana:

On November 3, 2010, Trillion filed a Master Appeal Summary with the FCC on ECFS, as well as provided the Master Appeal Summary to you via E-Mail and in hard copy. In the Master Appeal, Trillion provides the rational as to why USAC's mass denial of funding is without merit. Please accept this Individual appeal for the Widefield School District 3, along with the Master Appeal Summary, as well as the Appeal that will be filed by the applicant, as the appeal in its totality.

USAC alleges that communications between Widefield School District 3 and Trillion prior to, and throughout, the competitive bidding process tainted a fair and open competitive bidding process, as the basis for the denial of funding. Trillion denies USAC's allegations. In fact and in all instances, the communications between both parties were in full compliance with all applicable (FCC, state and local) competitive bidding and procurement requirements at the time. Please note that in the denial of funding, USAC does not point to the specific communications that it found were not in compliance with applicable rules and regulations. However, Trillion believes that the facts of the bid process will refute USAC's allegations.

The FCDL denial is attached for review in full.

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**USAC Alleged Communication Issue:**

provided for item(s): item 21.<><><><><> DR2: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest.

**Communication Was Within Rules:**

USAC states that the communication between Trillion and Trillion’s existing customer, Widefield School District 3, that in effect influenced the bid specifications on the Form 470/ or RFP, and those bid specifications led directly to Trillion’s selection as service provider. Trillion denies USAC’s allegations and has reviewed all provided communications with Widefield School District 3, and can find no single instance where improper communication took place. Also, since USAC has not provided which communication that is of issue, we will examine the data that is available to refute USAC’s allegations.

In regard to Widefield School District’s bid for the 2008/2009 funding year, the bid process began with a Form 470 #: 285960000661894 being posted on January 9, 2008. If one were to examine this Form 470:

<p><b>8 <input checked="" type="checkbox"/> Telecommunications Services</b>  <i>Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.</i></p>		
<p><b>a <input checked="" type="radio"/> YES</b>, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):  <input checked="" type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p>		
<p><b>b <input type="radio"/> NO</b>, I have not released and do not intend to release an RFP for these services.</p> <p>Whether you check YES or NO, you must list below the Telecommunications Services you seek. Specify each service or function (e.g., local voice service) and quantity and/or capacity (e.g., 20 existing lines plus 10 new ones). See the Eligible Services List at <a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a> for examples of eligible Telecommunications services. Remember that only eligible telecommunications providers can provide these services under the universal service support mechanism. Attach additional lines if needed.</p>		
<p><b>c <input checked="" type="radio"/> Check this box if you prefer discounts on your bill.</b></p>	<p><b><input type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.</b></p>	<p><b><input type="radio"/> Check this box if you do not have a preference.</b></p>
<p><b>Service or Function:</b></p> <p>Digital Transmission Services</p> <p>Digital Transmission Svcs/wireless WAN</p> <p>Digital Transmission Svcs/internet</p>	<p><b>Quantity and/or Capacity:</b></p> <p>Up to DS3 and up to 22 T1 lines</p> <p>for up to 22 district facilities</p> <p>up to 10 T1 Lines</p>	
<p><b>9 <input checked="" type="checkbox"/> Internet Access</b>  <i>Do you have a Request for Proposal (RFP) that specifies the services you are seeking? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.</i></p>		
<p><b>a <input checked="" type="radio"/> YES</b>, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one):  <input checked="" type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.</p>		
<p><b>b <input type="radio"/> NO</b>, I have not released and do not intend to release an RFP for these services.</p> <p>Whether you check YES or NO, you must list below the Internet Access Services you seek. Specify each service or function (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500</p>		

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<b>9 <input type="checkbox"/> Internet Access</b> <i>Do you have a Request for Proposal (RFP) that specifies the services you are seeking ? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.</i>		
<b>a</b> <input type="radio"/> YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one): <input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.		
<b>b</b> <input type="radio"/> NO, I have not released and do not intend to release an RFP for these services.		
Whether you check YES or NO, you must list below the Internet Access Services you seek. Specify each service or function (e.g., monthly Internet service) and quantity and/or capacity (e.g., for 500 users). See the Eligible Services List at <a href="http://www.sl.universalservice.org">www.sl.universalservice.org</a> for examples of eligible Internet Access services. Attach additional lines if needed.		
<b>c</b> <input type="radio"/> Check this box if you prefer discounts on your bill.	<input type="radio"/> Check this box if you prefer reimbursement after paying your bill in full.	<input type="radio"/> Check this box if you do not have a preference.
<b>Service or Function:</b>	<b>Quantity and/or Capacity:</b>	
Digital Transmission Services/internet	up to 10 T1 Lines	
VOIP and VoiceMail	for up to 22 facilities	
Digital Transmission Srvces/Wireless WAN	for up to 22 facilities	
<b>10 <input type="checkbox"/> Internal Connections Other than Basic Maintenance</b> <i>Do you have a Request for Proposal (RFP) that specifies the services you are seeking ? If you check YES, your RFP must be available to all interested bidders for at least 28 days. If you check YES and your RFP is not available to all interested bidders, or if you check NO and you have or intend to have an RFP, you risk denial of your funding requests.</i>		
<b>a</b> <input type="radio"/> YES, I have released or intend to release an RFP for these services. It is available or will become available on the Web at or via (check one): <input type="checkbox"/> the Contact Person in Item 6 or <input type="checkbox"/> the contact listed in Item 12.		
<b>b</b> <input type="radio"/> NO, I have not released and do not intend to release an RFP for these services.		

...there would be several items to note. First, is that the services being requested do not have an RFP in either categories, Telecommunications Services and Internet Access. Therefore, the specifications being sought by Widefield are contained solely in the Form 470. If the specifications being sought on the Form 470 by Widefield are examined, it quickly becomes apparent that the wording used in those specifications are directly from USAC's own Eligible Services List.

Function	Description
Digital Transmission Services	<ul style="list-style-type: none"> <li>A telecommunications service that provides transmission from an eligible school or library facility to other locations beyond the school or library is eligible for discount. Digital transmission services refer to data links that connect multiple points using any available technology. An eligible digital transmission service may be used to connect an eligible location to the Internet or <a href="#">Internet2</a>. Digital transmission services used to link</li> </ul>
Interconnected Voice over Internet Protocol ( <a href="#">Interconnected VoIP</a> ) Services	Funding requests for <a href="#">interconnected VoIP</a> services may be submitted in the Internet Access category. <sup>1</sup>

As can be seen by USAC's own Eligible Services List Descriptions, Widefield used these descriptions on their Form 470.

If one were to examine those specifications, the very first requested service is for DS3 or multiple T1s. Trillion does not generally provide DS3's or T1s, therefore, if Trillion were so influential in aiding the district define their

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specifications, then why would the school district list requirements that could not be fulfilled by Trillion?

To be clear, there is nothing in the Form 470 requirements that provided Trillion with an unfair advantage. The requirements/description of services were a mirror of USAC's own Eligible Services List. Those requirements provided a bid opportunity for a wide array of potential bidders. Finally, Trillion did not influence the school district's requirements.

We must then examine the actual bids and the results. Trillion provided three bids to the school district, one bid was for WAN, one was for Internet, and one was for VoIP. Please note, Trillion was the current provider of both WAN and Internet services to Widefield School District. The result of the bids were that Trillion was selected for WAN only, which it already was under contract for, with multiple years remaining on that contract. Trillion lost two of the three bids it submitted including the internet service it was already under contract for. As a matter of fact, the internet contract was awarded to the State of Colorado on FRN #: 1761326.

As described in the Master Appeal filed on November 3, 2010, the communication between Widefield School District 3 and Trillion was nothing more than industry standard communication, and general discussion. Widefield was already under contract with Trillion for WAN and internet services. No data provided in the relevant bid documents show any bias toward Trillion's product offering. As a matter of fact, the only requirements were contained on the Form 470 which used language that was listed on USAC's own Eligible Services List. In fact, the data contained in the bid documents show very open requirements that lend itself to a highly competitive bid process.

In summary, this applicant's and Trillion's actions were in full compliance with FCC, state and local procurement guidelines in effect at the time, as described in the Master Appeal Summary. Therefore, neither the applicant's, nor Trillion's actions, improperly affected the competitive bidding process in any way whatsoever. If Trillion were so influential in the bid process and aided in the crafting of the requirements for the bid process, why did Trillion lose two of three bids, including a bid for a service that it was already under contract for? If the applicant did not conduct a fair and open bid, why did that applicant choose three different service providers for three different bids, including canceling a contract it held between Trillion and the applicant?

Trillion respectfully requests that this appeal be granted.

Sincerely,

Trillion Partners, Inc.

Attachments:

- Master Appeal Summary dated November 3, 2010 as previously filed on November 3, 2010 under ECFS Number 2010113403548
- Funding Decision Commitment Letter (FCDL)

Cc:

Ron Reich, Intel Capital  
Peter Pitsch, Intel

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Universal Service Administrative Company

Schools and Libraries Division

**FUNDING COMMITMENT DECISION LETTER**  
(Funding Year 2009: 07/01/2009 - 06/30/2010)

January 12, 2011

Virginia Bryant  
Trillion Partners, Inc  
9208 Waterford Center Blvd.  
Suite 150  
Austin, TX 78758

**Re: Service Provider Name: Trillion Partners, Inc**  
**Service Provider Identification Number: 143025872**

Thank you for participating in the Schools and Libraries Program (Program) for Funding Year 2009. This letter is your notification of our decision(s) regarding application funding requests that listed your company's Service Provider Identification Number (SPIN).

**NEXT STEPS**

- File Form 498, Service Provider Information Form, if appropriate
- File Form 473, Service Provider Annual Certification Form (SPAC), for the above Funding Year
- Work with your customer to provide appropriate invoicing to USAC: Service Provider Invoice (Form 474) or Billed Entity Applicant Reimbursement (Form 472)

Please refer to the Funding Commitment Report(s) (Report) following this letter for specific funding request decisions and explanations. Each Report contains detailed information extracted from the applicant's Form 471. A guide that provides a definition for each line of the Report is available in the Reference Area of our website.

Once you have reviewed this letter, we urge you to contact your customers to establish any necessary arrangements regarding start of services, billing of discounts, and any other administrative details for implementation of discount services. As a reminder, only eligible services delivered in accordance with Federal Communications Commission (FCC) rules are eligible for these discounts.

**TO APPEAL THIS DECISION:**

You have the option of filing an appeal with the SLD or directly with the FCC.

If you wish to appeal a decision in this letter to USAC, your appeal must be received by USAC or postmarked within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and (if available) email address for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Include the following to identify the decision letter and the decision you are appealing:
  - Appellant name,
  - Applicant or service provider name, if different from appellant,
  - Applicant Billed Entity Number (BEN) and Service Provider Identification Number (SPIN),
  - Form 471 Application Number as assigned by USAC,
  - "Funding Commitment Decision Letter for Funding Year 2009," AND
  - The exact text or the decision that you are appealing.

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Schools and Libraries Division - Correspondence Unit  
30 Lanidex Plaza West, PO Box 685, Parsippany, NJ 07054-0685  
Visit us online at: [www.usac.org/sl](http://www.usac.org/sl)

FUNDING COMMITMENT REPORT  
Service Provider Name: Trillion Partners, Inc  
SPIN: 143025872  
Funding Year: 2009

Name of Billed Entity: WIDEFIELD SCHOOL DISTRICT 3  
Billed Entity Address: 1820 MAIN STREET  
Billed Entity City: COLORADO SPGS  
Billed Entity State: CO  
Billed Entity Zip Code: 80911-1152  
Billed Entity Number: 142316  
Contact Person's Name: Kent Tamsen  
Preferred Mode of Contact: EMAIL  
Contact Information: tamsenk@wsd3.k12.co.us  
Form 471 Application Number: 694957  
Funding Request Number: 1910067  
Funding Status: Not Funded  
Category of Service: Telecommunications Service  
Form 470 Application Number: 285960000661894  
Contract Number: SA-101507-000840  
Billing Account Number: N/A  
Service Start Date: 07/01/2009  
Contract Expiration Date: 06/30/2013  
Number of Months Recurring Service Provided in Funding Year: 12  
Annual Pre-Discount Amount for Eligible Recurring Charges: \$294,840.00  
Annual Pre-Discount Amount for Eligible Non-Recurring Charges: \$.00  
Pre-Discount Amount: \$294,840.00

Applicant's Discount Percentage Approved by SLD: 49%  
Funding Commitment Decision: \$.00 - Insufficient documentation  
Funding Commitment Decision Explanation: DR1: Applicant has not provided sufficient documentation to determine the eligibility of this item. No documentation was provided for item item 21. <><><><><> DR2: The FRN will be denied because you did not conduct a fair and open competitive bidding process. The documentation provided by you and/or the service provider indicates that the school district engaged in numerous meetings, e-mail discussions, and/or verbal discussions with Trillion employees prior to the posting of the Form 470 and throughout the competitive bidding process which tainted the competitive bidding process. Trillion was consulted and/or offered details about services and products you were requesting on your FCC Form 470 and/or Request for Proposal (RFP). The competitive bidding process was influenced by Trillion when they assisted you in developing your services specifications for your FCC Form 470/or RFP. You failed to conduct a fair and open competitive bidding process free from conflicts of interest. <><><><><> DR3: This FRN is denied because the documents provided by you and/or your vendor indicated that there was not a fair and open competitive bid process free from conflicts of interest. The documentation provided by you and/or your service provider indicates that prior to/throughout your contractual relationship with the service provider listed on the FRN, that you were offered and accepted <gifts, meals, gratuities, entertainment> from the service provider, which resulted in a competitive process that was no longer fair and open and therefore funding is denied.

FCDL Date: 01/12/2011

Wave Number: 078

Last Allowable Date for Delivery and Installation for Non-Recurring Services: 09/30/2011